

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
DEPARTMENT OF HEAVY INDUSTRY

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 206**  
**TO BE ANSWERED ON 19.07.2018**

**Concession for diesel/hybrid cars under FAME India scheme**

206. SHRI PARIMAL NATHWANI:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) the plans of Government to promote electric/hybrid automobiles in the country since hybrid cars are cleaner and fossil fuels are becoming costly;
- (b) the details of concessions given to mild diesel hybrid cars under FAME India scheme and excise cuts;
- (c) whether the electric and strong hybrid vehicles are neglected; and
- (d) if so, the details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)**

(a) to (d): With a view to provide impetus to domestic manufacturing of hybrid & electric vehicles in the country, the Government of India approved the National Mission on Electric Mobility in 2011 and subsequently National Electric Mobility Mission Plan 2020 was unveiled in 2013. This mission Plan was designed mainly considering the Fuel Security and Environmental Pollution in the country.

In order to promote manufacturing of hybrid & electric vehicles and ensure sustainable growth of the same and as a follow up of the mission, Department of Heavy Industry formulated a scheme namely FAME India [Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India] for a period of 2 years starting from 1<sup>st</sup> April 2015. The scheme has four focus areas namely Demand Creation, Pilot Project, Technology Development/R&D and Charging Infrastructure. The Phase I of FAME Scheme has, however, been extended till 30<sup>th</sup> September 2018.

Under Demand Creation focus area, the purchaser of electric/hybrid vehicles is given an upfront reduction in purchase price by the dealer at the time of purchase of xEVs. The details of the demand incentives available for purchase of xEVs is provided at Annexure 13 of the Gazette Notification of the Scheme and as amended from time to time, which is available in the website of Department of Heavy Industry ([www.dhi.nic.in](http://www.dhi.nic.in)).

As per the original scheme, Mild hybrid, Strong Hybrid, Plug-in Hybrid and Pure Electric technologies (collectively termed as xEV) were covered in this FAME India Scheme. However, "Mild Hybrid" technology has been excluded from this Scheme w.e.f. 01/04/2017 vide Gazette Notification S.O. 1055(E) dated 30/03/2017.

Under new GST regime, Electric Vehicles are kept in the lower bracket of 12% GST rate (with no Cess) as against the 28% GST rate with Cess up to 22% for conventional vehicles. For strong hybrid, there is a ceiling of 43% GST inclusive of Compensation Cess.